

# LPA Taurus LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of LPA Taurus LLC. If you have any questions about the contents of this brochure, please contact us at (732) 933-2641 or by email at: [info@lpataurus.com](mailto:info@lpataurus.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about LPA Taurus LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). LPA Taurus LLC's CRD number is: 281854.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

LPA Taurus LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

LPA Taurus LLC (hereinafter “LTL”) is a Limited Liability Company organized in the State of New Jersey.

The firm was formed in September 2015, and the principal owner is Allan John Proske.

### **B. Types of Advisory Services**

#### ***Robo-Advisory Portfolio Management Services***

LTL provides “robo-advisory” portfolio management services via an online interface. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice. These automated investment solutions are customized to each client and based on individual characteristics, such as the client’s age, risk tolerance, income, and current assets, among others.

#### ***Selection of Other Advisers***

LTL may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, LTL will always ensure those other advisers are properly licensed or registered as an investment adviser. LTL then makes investments with a third-party investment adviser by referring the client to the third-party adviser. LTL will not review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

#### **Services Limited to Specific Types of Investments**

LTL generally limits its investment advice to ETFs. LTL may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

LTL provides online “robo-advisory” portfolio management. Client accounts are generally invested into a target allocation depending on the client’s individual profile. This automated approach factors in client financial situation and risk tolerance, although the algorithms used to provide advisory services are designed to be utilized by LTL across multiple clients. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. LTL does not participate in any wrap fee programs.

## **E. Assets Under Management**

LTL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	March 2016

# **Item 5: Fees and Compensation**

## **A. Fee Schedule**

### ***Robo-Advisory Portfolio Management Services Fees***

LTL provides robo-advisory portfolio management services via an online interface.

Total Assets Under Management	Annual Fee
All assets	0.50%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of LTL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

LTL uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

### ***Selection of Other Advisers Fees***

LTL will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between LTL and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency.

LTL may direct clients to Betterment LLC. The annual fee schedule is as follows:

Total Assets Under Management	LTL's Fee	Third Party's Fee	Total Fee
All Assets	.50%	.25%	.75%

LTL uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are negotiable.

## **B. Payment of Fees**

### ***Payment of Robo-Advisory Portfolio Management Fees***

Robo-advisory portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in arrears.

### ***Payment of Selection of Other Advisers Fees***

Fees for selection of Betterment LLC as third-party adviser are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly in arrears.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by LTL. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

LTL collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

LTL or its supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

***1. This is a Conflict of Interest***

Supervised persons may accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds to LTL's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, LTL will document the conflict of interest in the client file and inform the client of the conflict of interest.

***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase LTL recommended products through other brokers or agents that are not affiliated with LTL.

***3. Commissions are not LTL's primary source of compensation for advisory services***

Commissions are not LTL's primary source of compensation for advisory services.

***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

**Item 6: Performance-Based Fees and Side-By-Side Management**

LTL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**Item 7: Types of Clients**

LTL generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

***Minimum Account Size***

There is no account minimum for any of LTL's services.



## Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

LTL's methods of analysis include charting analysis, technical analysis and modern portfolio theory.

**Charting analysis** involves the use of patterns in performance charts. LTL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### *Investment Strategies*

LTL uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** LTL's selection process cannot ensure that money managers will perform as desired and LTL will have no control over the day-to-day operations of any of its selected money managers. LTL would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment “style drift” or even regulatory breaches or fraud.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Allan John Proske is a registered representative of First Allied Securities, Inc.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither LTL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Allan John Proske is a registered representative of First Allied Securities, Inc. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. LTL always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to purchase such services or products through any representative of LTL in such individual's outside capacities.

Allan John Proske is a licensed insurance agent. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay

a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. LTL always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to purchase such services or products through any representative of LTL in such individual's outside capacities.

Allan John Proske is an investment adviser representative with another investment advisory firm. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. LTL always acts in the best interest of the client and clients are in no way required to use the services of any representative of LTL in connection with such individual's activities outside of LTL.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

LTL may direct clients to third-party investment advisers to manage all or a portion of the client's assets. LTL will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between LTL and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that LTL has an incentive to direct clients to the third-party investment advisers that provide LTL with a larger fee split. LTL will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. LTL will ensure that all recommended advisers are licensed or notice filed in the states in which LTL is recommending them to clients.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### **A. Code of Ethics**

LTL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. LTL's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

LTL does not recommend that clients buy or sell any security in which a related person to LTL or LTL has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of LTL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of LTL to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. LTL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of LTL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of LTL to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, LTL will never engage in trading that operates to the client's disadvantage if representatives of LTL buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on LTL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. This means that LTL seeks a custodian/broker-dealer that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. LTL considers a range of factors, including but not limited to:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
- Proficiency in facilitating timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.

- Competitiveness of the price of those services and willingness to negotiate the prices. [Clients will not necessarily pay the lowest commission or commission equivalent.]
- Quality of services.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.

MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer, member SIPC, will be the qualified custodian for client accounts using Betterment LLC and/or Betterment Institutional. LTL is independently owned and operated; it is not affiliated with Betterment Securities. Clients will open the account with Betterment Securities by entering into an account agreement directly with them. While we do not open the account for you, we may assist you in doing so.

LTL also recommends Pershing Advisor Solutions LLC or accounts that are not using Betterment.

### ***1. Research and Other Soft Dollar Benefits***

While LTL has no formal soft dollars program in which soft dollars are used to pay for third party services, LTL may receive research, products, or other services from its broker/dealer in connection with client securities transactions ("soft dollar benefits") consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended, and may consider these benefits in recommending brokers. There can be no assurance that any particular client will benefit from any particular soft dollar research or other benefits. LTL benefits by not having to produce or pay for the research, products or services, and LTL will have an incentive to recommend a broker dealer based on receiving research or services. Clients should be aware that LTL's acceptance of soft dollar benefits may result in higher commissions charged to the client.

**BROKERAGE AND CUSTODY COSTS** - For client accounts that Betterment Securities maintains, Betterment Securities generally does not charge separately for custody services. It is instead compensated as part of the Betterment Institutional platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. LTL has determined that having Betterment Securities execute trades is consistent with its duty to seek "best execution" of trades (see above).

**SERVICES AVAILABLE TO LTL VIA BETTERMENT INSTITUTIONAL** -Betterment Securities serves as broker-dealer to Betterment Institutional, an investment and advice platform serving independent investment advisory firms. Betterment Institutional also offers available various support services, which may not be available to its retail customers. Some of those services help LTL manage or administer client accounts, while others help us manage and grow our business. Betterment Institutional's support services are generally available on an unsolicited basis (LTL does not have to request these services) and at no additional charge to LTL. The following is a more detailed description of Betterment Institutional's support services:

1. SERVICES THAT BENEFIT THE CLIENT. Betterment Institutional includes access to a range of investment products, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities' services described in this paragraph generally benefit clients and their accounts.

2. SERVICES THAT MAY NOT DIRECTLY BENEFIT CLIENTS. Betterment Institutional also makes available to LTL other products and services that benefit LTL, but may not directly benefit the client or client accounts. These products and services assist LTL in managing and administering client accounts, such as software and technology that may:

- Assist with back-office functions, recordkeeping, and client reporting of our accounts.
- Provide access to client account data (such as duplicate trade confirmations and account statements).
- Provide pricing and other market data.
- Assist with back-office functions, recordkeeping, and client reporting.

3. SERVICES THAT GENERALLY BENEFIT ONLY US. By using Betterment Institutional, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events.
- Consulting on technology, compliance, legal, and business needs.
- Publications and conferences on practice management and business succession.

#### LTL'S INTEREST IN BETTERMENT SECURITIES' SERVICES

The availability of these services from Betterment Institutional benefits LTL because we do not have to produce or purchase them. In addition, LTL does not have to pay an additional fee for Betterment Securities' services, although these services may be contingent upon LTL committing a certain amount of assets to Betterment Securities for custody. LTL has an incentive to have clients maintain their accounts with Betterment Securities based on LTL's interest in receiving Betterment Institutional's and Betterment Securities' services that benefit our business rather than based on clients' interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. However, the availability to us of Betterment Institutional's and Betterment Securities' products and services is not based on LTL giving particular investment advice, such as buying particular securities for its clients. Moreover, LTL believes that use of Betterment Securities as custodian and broker-dealer is in the clients' best interests and consistent with LTL's fiduciary duty. LTL's selection of Betterment Securities is primarily supported by the scope, quality, and price of services (described above) rather than Betterment Institutional's and Betterment Securities' services that benefit LTL directly.

## ***2. Brokerage for Client Referrals***

LTL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

LTL will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

LTL does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Robo-advisory portfolio management accounts are not reviewed by LTL, save for automated allocation revisions. Clients are encouraged to update Acorns of any change in their objectives, risk tolerance, or other pertinent information.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Robo-advisory portfolio management accounts do not undergo non-periodic review by LTL, allocations will change in accordance with the portfolio management software utilized by LTL and changes to the client's profile.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Robo-advisory portfolio management clients will receive at least quarterly a written report that details the client's account including assets held and asset value, which report will come from the custodian.



## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

LTL may receive compensation from the selected third party advisers via a fee split, but otherwise does not receive any economic benefit from any other third party for advice rendered to LTL's clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

LTL does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When it deducts fees directly from client accounts at the custodian, LTL will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Actual custody of your assets is maintained by Betterment Securities Pershing Advisor Solutions LLC. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should promptly and carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

LTL provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, LTL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

LTL will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

LTL neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither LTL nor its management has any financial condition that is likely to reasonably impair LTL's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

LTL has not been the subject of a bankruptcy petition in the last ten years.